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Gary Prevost
College of Saint Benedict/Saint John's University, Gprevost@csbsju.edu

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GARY PREVOST

Fidel Castro and the Cuban Revolution

The life of Fidel Castro is inextricably bound up with the story of the Cuban Revolution. In modern times no revolutionary movement is more identified with a single person. However, it would be a serious mistake to reduce the Cuban Revolution to the story of Fidel Castro. Countless analysts, especially within the ranks of the U.S. government, have made that error. This essay will seek to briefly tell the story of Fidel Castro and the revolution that he has led for more than fifty years. The author will conclude that Fidel Castro has left his mark on Cuban life in a way that will likely endure well after his death, whenever that comes.

Fidel Castro Ruz was born on August 13, 1926 on his family's sugar plantation near Biran, Oriente province. His father, originally an immigrant laborer from Galicia, Spain had become the owner of a 23-acre plantation. As a boy he worked on his family's sugarcane fields. However, unlike many young Cubans of that time, he received an excellent education at Jesuit institutions, Colegio La Salle and Colegio Dolopes in Santiago and finally Colegio Belen in Havana, where he was voted the school's best athlete, mainly on the basis of his baseball prowess. Castro continued his education at the University of Havana where he worked on a law degree.

During his years in law Fidel was active in politics, including participation in an attempt to overthrow the Trujillo dictatorship in the Dominican Republic in 1947. He escaped capture and returned to Havana to complete his degree in 1950. That year, he entered a small law firm that defended the poor and people with political difficulties. By this time Fidel's political affiliation was with the Orthodox Party, which positioned itself against Fulgencio Batista's Authentic Party. The Orthodox Party, under the leadership of Eduardo Chibas, believed that the Authentic Party, riddled with corruption, had betrayed the ideals of the Revolution of 1934 when it came to power in an overthrow of the Machado dictatorship. In 1940, Cuba had adopted a progressive constitution that guaranteed labor rights, but after World War II the Authentic Party under Batista's leadership turned to the right and became corrupt as it welcomed North American mobsters into Cuba's tourist industry.

Fidel Castro was projected to be an Orthodox candidate for Congress in the 1952 elections, but those elections were cancelled by Batista and never held. Castro went to court and charged the dictator with violating the constitution, but the Court rejected the petition. It is at this point that Fidel began his career as a revolutionary leader. He

organized, together with his brother Raul, 165 men and women who carried out an armed attack on the Moncada army barracks in Santiago de Cuba on July 26, 1953. The attack was intended to spark a general insurrection throughout the island, but it failed miserably. Half of the attackers were killed; Castro and his brother Raul were taken prisoner. The date of this attack would become the name of their revolutionary movement and since 1959, July 26 has been celebrated as Cuba's most important national holiday and the occasion of a major speech by Fidel.

During his trial, Castro made an impassioned critique of the Batista regime and called for greater political and social liberties. Known as the "History Will Absolve Me" speech, it became the rallying cry of the July 26th Movement. On May 15, 1955 Batista declared a general amnesty and the Castro brothers were released, but they in no way renounced their desire to overthrow Batista. Over the next eighteen months Fidel traveled to the United States and Mexico to organize the July 26th Movement. In Mexico, Argentinean doctor Ernesto "Che" Guevara joined the movement and on December 2, 1956 they set sail for Cuba in an aging yacht, the Granma, purchased from an American couple.

RETURN TO CUBA

The 82 men launched an attack in the Oriente province that was to be timed with an insurrection in Santiago led by Frank Pais. However, like the attack five years earlier, it was a total failure. Only twelve of the original attackers survived, but they succeeded in fleeing into the remote Sierra Maestra mountains to continue their struggle. From the mountain stronghold, called La Plata, the revolutionaries built a base camp that included a primitive radio transmitter, and went about the task of organizing a movement against Batista. The movement reached out to the local peasantry promising land reform, education, and democracy. Literacy classes were conducted for the local population. One by one locals were recruited to the movement and a campaign of guerrilla warfare was begun against local army outposts. Most attacks were successful and the needed additional weaponry was stolen from the army.

The actions of the July 26th Movement became well known in Cuba and within the hemisphere. The latter recognition was achieved when a *New York Times* reporter, Herbert Matthew, welcomed into the rebels' camp, wrote a series of sympathetic articles portraying Castro as a modern-day Robin Hood. Meanwhile, revolutionary actions were occurring elsewhere in the country. The student-led Revolutionary Directorate narrowly missed an assassination of Batista in March 1957. However, following the failed attempt the Directorate was severely repressed, leaving Castro's forces as the primary anti-Batista force.

In the summer of 1958, the rebels left their camps and began a general offensive against Batista's army. The decisive battle occurred at the end of December in Santa Clara under the leadership of Che Guevara where a key unit of Batista's army surrendered en masse. Fidel's column captured Santiago and from the balcony of that city hall Castro declared the victory of the Cuban revolution on January 1, 1959, as Batista had fled into exile the previous evening.

The triumph of the July 26th Movement was a complex phenomenon as was the role of Fidel Castro. It was not a mass-based revolutionary war by a peasant army like those that occurred in China or Vietnam. Peasants were recruited to the July 26th Movement and gave it important support, but the guerrilla army, 800 as late as September 1958, was primarily a force of students, professionals, and workers from Cuba's middle sectors. The Cuban insurrection was not an urban proletarian revolution. Organized labor, whose ranks were heavily influenced by the Communist Party (PS), opposed the July 26th Movement until almost the very end, when the communists gave their belated support.

The July 26th Movement also carried out a broad alliance strategy that culminated in a July 1958 meeting in Caracas, Venezuela, where the Revolutionary Democratic Civic Front was organized, encompassing almost all of the anti-Batista forces. The front, combined with the military weakening of Batista, eroded U.S. government support for the regime. In March 1958, under pressure from the Senate, the U.S. State Department placed an arms embargo on Cuba. In December the Eisenhower administration repeatedly placed pressure on Batista to step down. However, the U.S. opposition to Batista was predicated on the assumption that the moderate anti-Batista forces would dominate the new government. That assumption proved to be erroneous.

REVOLUTION IN POWER

On January 8, 1959, Fidel Castro and the July 26th Movement entered Havana. He noted that the U.S. military had prohibited the Liberator Army under General Calixto García from entering Santiago de Cuba in 1898 and commented that history would not be repeated. Castro took no position in the new government but set about consolidating Cuba's military forces under his command. He sent one of his trusted lieutenants, Camilo Cienfuegos, to relieve Barquín, who had taken command of Batista's remaining troops. Forces of the directorate initially refused to disarm and had to be forcefully persuaded to accept Castro's authority.

Castro and his allies from the Sierra Maestra were committed to a program of radical social and economic reform, and they soon set out on a course to consolidate control over state power. The victory over Batista came so quickly that most of the old political structures were intact. Only a few thousand of Batista's closest allies left

the country. Most of the landowning elite, businesspeople, professionals, and clergy stayed hoping that they could influence the course of the new government, protecting their considerable privileges. Well aware that their radical plans would encounter stiff resistance among those committed to only minor change, Castro and his allies moved to isolate his opponents one by one.

In mid-February 1959 Fidel accepted the position of prime minister and began to push through measures that would distribute wealth and increase support in the rural areas. In May, an agricultural reform act limited the size of most farm holdings to under 1,000 acres. This measure destroyed the largest holdings, including U.S.-owned sugar properties, several of which exceeded 400,000 acres. Land was distributed to thousands of rural workers, and the government moved to improve conditions on the large farms it now controlled. As a result, support for the revolution increased throughout the countryside. The passage of the Rent Reduction Act resulted in the transfer of about 15 percent of the national income from property owners to wage workers and peasants. A literacy campaign sent thousands of young volunteers to rural areas. Literacy was increased, and the young supporters of the revolution learned firsthand about the conditions of the rural areas.

The government also began building hundreds of new schools and training thousands of additional teachers. Health care was extended to the entire population for the first time with the construction of rural clinics and hospitals. Many private and racially segregated facilities such as clubs and beaches were opened to the public. These radical social and economic measures carried out in the first year of the revolution often involved mass mobilizations, which served to unite the poor majority of Cuban citizens behind the government. These measures also served to identify the movement's political enemies, who exposed themselves through their vociferous opposition to the changes.

Moderates in the government, such as acting President Manuel Urrutia, resigned in protest in June 1959, taking much of the leadership of the old democratic parties and landed elite into exile with them. Simultaneously, the use of revolutionary tribunals to judge and then execute approximately 500 members of Batista's police and security agencies was popular with the Cuban masses but forced many of those who had been associated with the old regime to seek refuge abroad. One by one those political forces that opposed the radical direction of the revolution dropped away until only the revolutionary core remained, primarily the cadre of the July 26th Movement from the Sierra Maestra and a few allies from the Revolutionary Directorate who increasingly assumed key cabinet posts and took control of the government bureaucracy. The final element in the revolutionary coalition was the Cuban Communist Party (PSP). Castro forged a formal alliance with them in late 1959, not completely trusting them,

but desirous of using their organizational skills in the reconstructed government bureaucracies. Their inclusion in the government also served to drive out the remaining anti-communist elements.

The increasingly radical direction of the revolution in 1959–1960 led to a direct confrontation with Washington. The U.S. government had first begun to realize that it had a potential major problem with Cuba when Castro left Washington following a visit in 1959 without requesting significant U.S. aid. Up until that point U.S. officials had expected to control Cuba through the normal give-and-take of foreign aid. By April 1959 the Cuban leadership had already decided on a series of radical changes in Cuba and were not seeking approval in Washington. At the time Castro left Washington, Cuba still maintained the Batista policy of nonrecognition of the Soviet Union. However, this policy began to change, and in December 1959 an official Soviet journalist was admitted to Havana. In February 1960 USSR First Deputy Premier Anastasias Mikoyan paid a visit, and a Soviet–Cuban trade agreement was signed. Che Guevara went to Eastern Europe soon after and lined up $100 million in credits for industrialization in Cuba. Relations with the Soviet Union offered a balance and an alternative to dominance of American power in Cuban affairs. Formal diplomatic relations were reestablished between the two countries in May 1960.

The Cuban economy depended on sugar. A U.S. quota system had allocated Cuba a 2.8-million-ton market at a predetermined and subsidized price considerably above the world market. This amounted to significant U.S. governmental aid to Cuba. One of the first actions of friendship by the Soviet Union was the February 1960 purchase of Cuban sugar. As United States–Cuba relations worsened, the USSR agreed to purchase 2.7 million tons of Cuban sugar if the American government reduced its quota. The Soviet Union also began to supply Cuba with oil. Cuba has a small domestic supply of petroleum, but only enough to meet about 15 percent of national needs. With a shortage of foreign exchange, Cuba found it increasingly difficult to keep refineries supplied with imported oil, mostly from Venezuela. In April 1960 the first shipment of Soviet oil arrived in exchange for Cuban products. American oil companies, which owned Cuba's refineries, advised by the U.S. Secretary of the Treasury, refused to refine the oil. The refineries were taken over by the Cuban government, and Washington responded by eliminating Cuba's sugar quota, the backbone of the Cuban economy.

The confrontation between Havana and Washington had been building throughout 1959 and 1960. The Cuban government began regulating the U.S.-owned Cuban Telephone Company in March 1959. The confrontation over the oil refineries resulted in the first nationalizations in July 1960, and they were followed quickly by the seizure of U.S.-owned sugar plantations in August, foreign banks in September, and more businesses in October. Late in 1960 the United States broke diplomatic

relations with Cuba, and in January 1961 the Eisenhower administration instituted an embargo on most exports to Cuba. The Agrarian Reform Law of May 1959 laid the groundwork for eventual seizure of many large American properties with an offer of twenty-year bonds for payment; the United States, rejecting the bonds, demanded "prompt, adequate, and effective compensation." By December 1959 the CIA began to recruit Cuban exiles, and in March 1960 Eisenhower decided to arm and train an exile force for the purpose of invading the island and precipitating the overthrow of the Castro government.

John Kennedy assumed the presidency of the United States in January 1961 and with it the responsibility for the group of Cuban exiles, now training in Central America under CIA direction. In Cuba, Castro had inaugurated the Committees for the Defense of the Revolution (CDR), organized block by block in the cities, to guard against opposition and to enlist support for the government. In the mountains of Escambray a group of anti-Castro guerrillas maintained harassment of government troops, but at U.S. request they stopped action until the exile forces were ready. In April the exiles invaded Cuba at the Bay of Pigs but were stalled by local militias, while in the cities the CDRs quickly pointed out persons in opposition, who were immediately arrested before any of them could support the invasion. The major result of the American intervention was the consolidation of Castro's position by creating a solid identification between the anti-imperialism of Cuban tradition and the victory of the forces under Fidel Castro.

1970 SUGAR HARVEST

Soon after the defeat of the exile force at the Bay of Pigs, Castro declared the "socialist" character of the Cuban revolution. Socialist countries supported Cuba, with the USSR honoring its promise to buy 2.7 million tons of sugar. The People's Republic of China bought a million tons; other socialist nations, 300,000 tons.

From the declared commitment to socialism in April 1961 to the campaign to produce 10 million tons of sugar cane in 1970 the Cuban revolution moved through its most idealistic period. Domestically the revolution sought to create a thoroughly home-grown socialist economy marked primarily by lack of market incentives. Shared sacrifice and a drive for self-sufficiency were the primary driving forces in economic development. The leadership sought to diversify the Cuban economy while instituting a policy of industrialization. New products such as cotton were introduced to the island with the hope of reducing the island's dependency on foreign inputs. At the time of the revolution the United States had $1 billion invested in Cuba. U.S. companies controlled 40 percent of the sugar crop and 55 percent of the sugarmill capacity; more importantly, the United States was the major buyer of Cuban sugar. In return for

preferential entry of its sugar into U.S. markets Cuba was required to open its market to U.S. manufactured goods; this undercut the development of domestic industries. There were numerous distortions — Cuba exported raw sugar but imported candy. It produced vast quantities of tobacco but imported cigarettes. Cuban economic policy of the 1960s was designed to reverse this reality. The determination to end dependence on sugar production took the extreme form of plowing over vast acreage of sugar lands and planting new crops, but these efforts largely failed due to the lack of expertise and appropriate climatic conditions.

During the 1960s the Cuban government also borrowed a strategy of heavy industrialization from the Soviet Union, but these efforts yielded only limited success because of Cuba's particular conditions and the lack of trained personnel. Following the failure of the "balanced growth" model Cuba turned to an approach labeled the "turnpike model." Instead of seeking to diversify the economy immediately, Cuba would give priority to sugar production by increasing the cultivated acreage and increasing mechanization. Earnings from sugar export would be used to import machinery to diversify agricultural and industrial production on a sounder basis. Other sectors were also developed, especially the production of cattle, fishing, and citrus fruit. Cement, nickel, and electricity were also expanded with assistance of machinery from the Soviet Union.

During this period (1964–1970) the nationalization of the Cuban economy was completed. All industry, commerce, and finance and 70 percent of agricultural land were controlled by the state. This period was marked by a great ideological debate over socialist economic strategy. The basic question debated was whether a largely underdeveloped country like Cuba could primarily use moral incentives to motivate greater productivity in the workforce or whether it was necessary to use some sort of material incentives. Cuban Communist leader Carlos Rafael Rodríguez argued that given Cuba's low level of development, the workers could not be expected to have sufficient consciousness for appeals to the good of the society; increased productivity needed to be rewarded with higher wages and bonuses. This "market socialism" position was also advocated by Soviet advisers.

The more radical position, argued by Guevara, was that economic organization could be totally centralized with resources allocated to enterprises according to plan rather than market forces. Central to this argument was that workers could be motivated without material incentives to work for the collective, the common good. After some experimentation with both models, Castro endorsed Guevara's approach in 1966 and that period culminated in the revolutionary offensive of 1968–1970, which focused on a large-scale investment in sugar with the aim of harvesting and processing 10 million tons of sugar in 1970. The concentration of resources on production

entailed further sacrifices from the populace, but the primary goal was to finance industrialization without further debt. It was also hoped that the success of the campaign would be paid off in higher levels of production throughout the society from increased industrialization.

The 1970 sugar harvest was a massive undertaking that involved workers from all sectors and volunteers from around the world; although close to 10 million tons were cut, major processing problems cut the final harvest to 8.5 million tons, far short of the goal. It was a significant blow to the prestige of the revolution, and production dropped in several key sectors outside of sugar. The failure of the revolutionary offensive led to a reassessment of the goals and strategies of the revolution in economic development as well as in other areas. It was recognized that more attention had to be paid to productivity, perhaps at the sacrifice of some egalitarian goals. It was also realized that economic independence from the Soviet Union could not be achieved in the short run.

SUPPORT FOR REVOLUTIONARY MOVEMENTS

Concurrent with the changing economic realities, the end of the 1960s brought some changes on the international front. During the 1960s the Cuban leadership advocated an uncompromising stance toward Latin American elites and the United States. Castro's Second Declaration of Havana saw revolution as inevitable in Latin America due to class oppression, economic exploitation, and oligarchical domination by pro-U.S. repressive regimes. Havana sympathized with such prospects and saw it as "the duty of every revolutionary to make the revolution." As a strategy Castro called for armed revolution on a continental scale. The Cubans gave direct material support to revolutionary movements in Nicaragua, Guatemala, Venezuela, and Colombia. Guevara, a leader of Cuba's own revolution, went to fight in Bolivia, where he was killed in 1967.

Two conferences during this era epitomized the commitment of the Cuban leadership to the strategy of revolutionary guerrilla warfare. In 1966 Castro convened the Conference of Solidarity of the Peoples of Asia, Africa, and Latin America, where, in his keynote speech, the Cuban leader attacked U.S. imperialism, Latin American elite governments, and all political movements that opposed the necessity of armed struggle, including communist parties. The strategy of guerrilla warfare was confirmed at the Latin America Solidarity Conference the following year in Havana. While this strategy struck a responsive chord among revolutionaries throughout the Americas, the policy did isolate Cuba within the hemisphere. Its support for armed guerrilla movements made normal relations with most governments in Latin America impos-

sible and even served to bring Castro in conflict with significant Leftist forces in the region. Castro directly attacked the reform-oriented approach of the region's communist parties as a betrayal of revolutionary principles. Most communist parties in the hemisphere had renounced armed struggle as a viable strategy for power and were pursuing reforms within existing Latin American political structures.

DECADE OF THE 1970S — ECONOMIC CHANGES

The decade of the 1970s in Cuba saw a more sober approach to economic policy making, internal governance, and foreign affairs. In hindsight, this was the decade where the Cuban revolution was successfully institutionalized. The longevity of the Cuban revolutionary project was secured in a series of crucial policy shifts following the failure of the sugar harvest. As a starting point, the party and Castro himself took full responsibility for the shortfall. Furthermore, there was no significant scapegoating, nor did the events result in a purge of party leadership; the response to the failure was policy initiatives in economics and politics that were probably long overdue. Moreover, the changes were not instituted hastily but rather introduced gradually over the course of the next decade.

The changes in the economic arena were considerable. The failure of the economic projects of the 1960s led the Cuban leadership to conclude reluctantly that the only viable economic strategy was to move toward economic integration with the East European Council of Mutual Economic Assistance (CMEA). This was a difficult decision for the revolutionary leaders because it meant that the diversification of the Cuban economy they had so desperately sought in the 1960s would have to be placed largely on hold. Integration into the CMEA meant that Cuba would primarily concentrate on the production of sugar, nickel, and citrus products in return for oil, manufactured goods, and canned foods. This arrangement worked in large measure because Cuba received a guaranteed return for its exported primary products, something it likely could not have obtained in the open world capitalist market.

Cuba received an especially favorable exchange rate on Soviet oil for its sugar. This arrangement essentially shielded Cuba from the dramatic rise in world energy prices that occurred between 1973 and 1982, devastating many Third World economies. The Soviet demand for Cuban sugar was high, and by the early 1980s Cuba was importing more Soviet oil than it needed, permitting the resale of millions of barrels into the world market for hard currency. This export of oil became a valuable project for Cuba and allowed for the further raising of the Cuban standard of living. By the mid-1980s, 85 percent of Cuba's export–import was with the CMEA countries. The only major trade that remained with the capitalist world was the prized Cuban tobacco. Dur-

ing this period Cuba did not abandon its goal of increasing food self-sufficiency and developing more domestic industries, but inevitably these efforts did take a back seat to meeting the production goals for the economic activity with the East.

The growing certainty of the economic deals made with the CMEA on a multiyear basis allowed for a new emphasis on planning that included the reactivation of the state Central Planning Board (JUCEPLAN). Prices and investments were centrally controlled, although in the 1970s there was some decentralization of economic planning to local and regional authorities. Without great fanfare there was also a shift away from the 1960s emphasis on solely moral incentives toward the use of material incentives to raise 1evels of production. The shift clearly had ideological overtones that were welcomed by the Soviet advisers, but the change also occurred because unlike in the 1960s, the improved state of the economy gave the government a much greater ability to carry out a program of worker bonuses.

Even with all of these changes, the period of 1970–1989 was not one of unbroken progress for the Cuban economy. After a brief period of accelerated growth in the early 1970s the first five-year plan (1975–1980) fell far short of its goals. The economy did grow again in the first half of the 1980s, buoyed in part by the profitable re-export of Soviet oil during a period of high world oil prices. Throughout this period there continued to be problems of lower than expected worker productivity.

During this time, because of its primary export orientation, the Cuban consumer did not always benefit directly from the overall growth of the economy but the wealth redistribution policies of the revolution did result in a significant sharing of the benefits of CMEA membership. In 1970 virtually all consumer goods were rationed, but by the mid-1980s only 30 percent of income was being spent on rationed goods and by 1989 the ration had been all but eliminated. By the end of the 1980s, Cuba had constructed one of the most egalitarian societies in the world, free of the malnutrition and hunger that marked most of its Central American and Caribbean neighbors. However, even at Cuba's height, the Cuban consumer still suffered from a lack of variety and quality of goods available to buy. When the economic shocks of 1989 intervened, Cuba had not yet achieved a fully developed socialist economy.

AFTER THE FALL OF THE WALL

Dramatic changes began in Cuba with the fall of the Berlin Wall in November 1989 and were accelerated by the collapse of the Soviet Union at the end of 1991. These events impacted Cuba so strongly because at the beginning of 1989 virtually all of Cuba's foreign trade (87 percent) was with the Soviet Union and other socialist countries of CMEA. Cuba was dependent on CMEA for most of the country's energy supplies, fertilizer, machine tools, and canned foods. The CMEA arrangement to pur-

chase Cuban sugar, nickel, and other primary production had given Cuba significant economic and social progress after 1970, but the sudden and unexpected loss of these markets wrecked the Cuban economy. In 1989 Cuba imported 13 million tons of oil from the Soviet Union, but by 1992 it was able to import only 6 million tons, all of it at world market prices. The importing of canned food from Eastern Europe was ended altogether. By 1993 Cuba had lost 75 percent of its import capacity, and the country's economic activity contracted by 50 percent. Outside of the context of war, no modern economy had been so devastated in the twentieth century. The destruction of the economy resulted in the return of rationing for basic necessities. Rationing was not new to revolutionary Cuba, but in the 1980s it had been largely eliminated and a system of "parallel markets" allowed consumers to add to the food available in the subsidized state markets. Since these "parallel markets" depended to a large measure on food imported from Eastern Europe, they disappeared virtually overnight in 1991 as rationing was reintroduced.

The return to a ration was clearly a setback for Cuba, but it also meant that the country was not abandoning its socialist principles. The hardships were to be shared, and no one was to be left on his or her own. The equitable rationing of goods was in stark contrast to most of the rest of Latin America, where "structural adjustment programs" often resulted in food prices beyond the means of the majority who are poor and in subsequent malnutrition. In addition to rations, other dramatic measures were introduced to rescue the economy and maintain the productivity of the people. To maintain food production in the context of fuel shortages, more than 80,000 oxen were imported to take the place of tractors. The stated goal was food self-sufficiency, but that was unlikely as ownership patterns initially remained the same and no significant incentives were introduced. In an attempt to deal with the dramatic reduction in public transportation, 600,000 bicycles were imported from China into a country where there was no tradition of cycling. In Havana the conservation of electricity was quite dramatic, with power shut off for a period of time each day in each neighborhood. To earn immediate hard currency, a program to dramatically increase the tourism industry was implemented despite the social problems, such as drugs and prostitution, that came along with it. From just a $165 million industry in 1989, tourism revenues grew to $850 million in five years as successful foreign investments in new facilities were attracted from Europe and Latin America.

Parallel to the tourism expansion in the early 1990s was Cuba's attempt to cash in on the extensive long-term investments it had made in medical technology. Two products in particular were marketed — a hepatitis-B vaccine and an anti-stroke medicine. Cuba targeted Third-World markets with some modest successes in the $200-million-per-year range, but the competition in the markets with U.S. and European mul-

tinationals made significant inroads in the arena difficult. In 1992–1993 Cuba also stabilized trade relations with its formerly socialist partners in Russia and the other former Soviet republics. Initially it appeared that the Russians would totally turn their backs on Cuba out of deference to the West, but when large-scale Western aid for the Russians did not materialize, Cuba and Russia signed new trade agreements that continue on a much reduced scale the bartering of Russian oil for Cuban sugar, an economic arrangement that benefits both countries. Russia also continues to pay for a radar installation in Cuba against the wishes of the United States, although the last Soviet troops left the island in 1993. At the height of the Cold War there had been 40,000 Russian troops in Cuba.

To spur foreign investment, changes were made in Cuban law to allow full recovery of investments in three years and relatively easy repatriation of profits. Taxation in the first years of investment was also sharply reduced. Latin American businesspeople, particularly Mexicans, were seriously courted by the Cuban government. An early fruit of this initiative was the decision by Domos, a Mexican telecommunication company, to invest heavily in updating the Cuban phone system. By 1994 over 150 foreign-Cuban joint ventures were underway, comprising more than $1.5 billion invested from many other countries, including Spain, Canada, Germany, and Israel. The bulk of the activity was in tourism, where investors have insisted on a quick turnaround of profits in hard currency, thus limiting the positive impact on the economy. These efforts have been limited by the aggressive efforts of the U.S. government to prevent foreign business investment in Cuba. First the Torricelli Bill in 1992 and then the Helms-Burton legislation of 1996 tightened the long-term U.S. embargo on Cuba by punishing firms that make investments on the island. Although the legislation, especially Helms-Burton, has caused friction between the United States and its allies, its presence does represent an obstacle to Cuba's further reintegration into the current world economy.

By the middle of 1994, the economic freefall continued and the Cuban economy and society seemed to be headed for disaster. In practice the ration was not providing enough for people to eat, and the amount of time spent in lines obtaining the basic necessities was further undermining the remaining economic production. Discontent with the economic situation boiled over during the summer of 1994 as several incidents surrounding the hijacking of boats in Havana harbor brought out people in demonstrations against the government for the first time since 1959. However, ultimately the Cuban leadership was successful in defusing the situation and beginning a slow turnaround of the economy that continues to the present day. The Cuban government opened up its ports in August 1994 and allowed thousands of discontented Cubans to go to the United States, where their arrival created a political crisis for President Bill Clinton. The crisis ended with a new immigration agreement between

the United States and Cuba in September 1994, and the United States ended its long-standing policy of granting political asylum to all arriving Cuban refugees. Under the new policy, refugees reaching U.S. soil are still granted the right to apply for asylum, but those intercepted at sea are returned to Cuba. A new agreement, signed in May 1995, allows for the legal immigration of up to 20,000 Cubans per year to the United States.

On the economic front, the Cuban government initiated a series of reforms that were designed to encourage private investment. The most important and successful project has been the reopening of private agricultural markets where the producers sell directly to the public. Begun in late 1994, these markets resulted in a better food situation for the average Cuban and also served to restore the value of the Cuban peso. Another important reform allowed the licensing of a wide range of individual service businesses from tailors to barbers to small restaurants in private homes. A major economic decision in 1993 allowed for the legalization of the dollar for use by the Cuban population as a whole. The circulation of the dollar had become too widespread for the government to ignore, so the decision was made to legalize it for the purposes of better control. It is now estimated that $600–$800 million a year flows into the Cuban economy from Cubans living in the United States. Dollar legalization had a sound economic foundation, but the political and social ramifications have been negative. Pursuit of the dollar increases prostitution, overvalues jobs in the tourist sector, and privileges those in the society who have the good fortune to have relatives in the United States.

The other aspect of Cuban economic recovery was the attraction of modest amounts of foreign capital into Cuba's main production areas of sugar and nickel mining. Although the investments are small, they helped Cuba reverse its economic freefall, with a gain of 2.5 percent in 1995 followed by more substantial gains of 7.8 percent and 4.5 percent in 1996 and 1997. Cuba's growth rate slowed in 1998 to 1.2 percent but rebounded to a 6.2 percent gain in 1999. However, at this rate it will take Cuba another decade to return to its economic position of the late 1980s. Despite the modest economic growth, the daily lives of the average Cuban revolve around obtaining the basic necessities of life. Waiting in long lines to obtain rationed food and commuting by bicycle or waiting for inconsistent public transportation cuts sharply into worker productivity, which must improve if the Cuban economy is to prosper. These difficulties of life are not unique to Cuba, but what makes it an interesting place to study is that Cuba has gone through this dramatic crisis while trying to maintain its socialist principles. In Cuba, unlike the former Communist countries in Europe, there is no full-scale embracing of a market economy. In speech after speech Castro has reiterated that Cuba will not return to a capitalist past. This has meant that the sacrifice

has been shared. The free medical and educational systems have been maintained. In part because there has been shared sacrifice, there has been no social explosion, which many predicted.

CONCLUSION

How is it to be understood that the Cuban revolution and its leader Fidel Castro have survived in power for forty years in the face of the almost unrelenting pressure from the United States? As the previous narrative has shown, Fidel Castro and the Cuban revolution have survived because they have tapped into the deep wellsprings of Cuban nationalism and desire for independence and because they have constructed in Cuba a society that improved the living conditions for a majority of Cubans through model programs in health care, education, housing, and food security.

Not initially a socialist by ideology, Fidel Castro came to embrace socialism as the means to achieve Cuban independence and social justice, principles to which he adhered from the beginning. His contribution to socialism comes in the area of praxis, not theory. As a leader, Castro has shown a considerable flexibility and willingness to admit to errors, traits generally not present in the socialist leaders of the last century. When the more idealistic approaches of the 1960s did not achieve all of their desired results, Castro accepted a place within the socialist COMECON and as a result in the 1970s and 80s Cuba constructed a reasonably successful and just system with universal education and health care. When the USSR collapsed, most analysts predicted the quick demise of Cuba's socialist project, but again the system adapted. By dramatically exploiting its comparative advantage in tourism and legalizing the receipt of hundreds of millions of dollars of remittances from Cuban-Americans in the United States, Cuba's economy survived through the 1990s and by the new century was more economically and politically independent than at any time in its history.

It is unknown how much longer Fidel Castro will be able to continue leading the Cuban nation. As of this writing Fidel is in a Havana hospital and his full return to power seems unlikely. His brother Raul has been in formal control since July 31, 2006. Even before this illness, the day to day running of Cuba's economic and political system has been passed on to a new generation of leaders, people who were too young to have fought in the Sierra Maestra. The views of these leaders are not perceptibly different from older leadership, so the continuance of the revolutionary project under their guidance could be Fidel Castro's greatest triumph.

Gary Prevost is Professor of Political Science.

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